

Registered number: 2595720

OCEANA INVESTMENT CORPORATION LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019



OCEANA INVESTMENT CORPORATION LIMITED

COMPANY INFORMATION

DIRECTORS

M Lewis
P Press
S Aaron

COMPANY SECRETARY

J A Fester

COMPANY NUMBER

2595720

REGISTERED OFFICE

3rd Floor, 32 Dover Street
London
W1S 4NE

AUDITOR

Crowe U.K. LLP
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

BANKERS

The Royal Bank of Scotland
250 Regent Street
London
W1A 4RY

OCEANA INVESTMENT CORPORATION LIMITED

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

The directors present their report and the financial statements for the year ended 31 March 2019.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS

The directors who served during the year were:

M Lewis
P Press
S Aaron

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

AUDITOR

The auditor, Crowe U.K LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

SMALL COMPANIES EXEMPTION

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



M Lewis
Director

Date: 12 September 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCEANA INVESTMENT CORPORATION LIMITED

Independent Auditor's Report to the Members of Oceana Investment Corporation Limited

Opinion

We have audited the financial statements of Oceana Investment Corporation Limited for the year ended 31 March 2019 which comprise the statement of comprehensive income, balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCEANA INVESTMENT CORPORATION LIMITED

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on p1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCEANA INVESTMENT CORPORATION LIMITED

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



John Glasby

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

St. Bride's House

10 Salisbury Square

London

EC4Y 8EH

23/9/19

OCEANA INVESTMENT CORPORATION LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
Turnover	1.3	285,543	499,100
Administrative expenses		(505,871)	(484,345)
Other income		291,592	68,969
Gain on remeasurement of fixed asset investment		<u>2,113,434</u>	<u>-</u>
Operating profit		2,184,698	83,724
(Loss) on disposal fixed assets		(59,372)	-
Interest received		8,171	3,337
Other finance costs	11	<u>(109,370)</u>	<u>(111,446)</u>
PROFIT/(LOSS) BEFORE TAXATION		2,024,127	(24,385)
Tax on loss on ordinary activities	3	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		2,024,127	(24,385)
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Actuarial (loss)		(267,546)	(64,236)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,756,581</u>	<u>(88,621)</u>

The notes on pages 8 to 14 form part of these financial statements.

OCEANA INVESTMENT CORPORATION LIMITED

**BALANCE SHEET
AS AT 31 MARCH 2019**

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	4		22,740		28,424
Investments	5		8,397,169		6,283,735
Investment property	6		-		422,172
			8,419,909		6,734,331
CURRENT ASSETS					
Debtors	7	443,112		558,177	
Cash at bank			947,537		797,857
			1,390,649		1,356,034
CREDITORS: amounts falling due within one year	8	(70,659)		(222,059)	
NET CURRENT ASSETS			1,319,990		1,133,975
TOTAL ASSETS LESS CURRENT LIABILITIES			9,739,899		7,867,306
Defined benefit pension scheme liability	11		(4,619,954)		(4,504,942)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			5,119,945		3,363,364
CAPITAL AND RESERVES					
Called up share capital	9		6,536,764		6,536,764
Profit and loss account			(1,416,819)		(3,173,400)
SHAREHOLDERS' FUNDS			5,119,945		3,363,364

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

M Lewis
Director

Date:

The notes on pages 8 to 14 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES

1.1 Company Information

Oceana Investment Corporation Limited (the company), a company limited by shares, has continued to operate as an investment company.

The company is a private limited company, which is incorporated and registered in England (no. 2595720). The address of the registered office is 3rd Floor 32 Dover Street, London, W1S 4NE.

1.2 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 (1A) requires the use of certain critical accounting estimates. The directors do not consider there to be any key sources of estimation and uncertainty when applying the accounting policies.

1.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable.

Turnover, derived from the principal activities of the company, represents dividends receivable and rental income.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	-	Over life of lease
Fixtures, fittings and equipment	-	20-33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

1.5 Debtors

Short term debtors are measured at transaction price, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1.6 Creditors

Short term creditors are measured at the transactions price.

1.7 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

1.9 Foreign currencies

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1.10 Pensions

The company operated a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

The company operates unfunded defined benefits pension schemes relating to former employees and the pension loss is based on an actuarial valuation dated 6 July 2018, updated to reflect the value of the obligation as at 31 March 2018.

Defined benefit scheme liabilities are measured on an actuarial basis using the projected unit method. The liabilities comprise benefits promised under the formal terms of the schemes. The net liability after deferred tax is recognised in the balance sheet.

The assumptions underlying the valuation are set out in note 11.

1.11 Fixed asset investments

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the profit and loss account. The underlying value of the investment in one class of investment has been revalued to their fair value in the current year based on an external valuation undertaken ahead of the sale of the shares post year end. The valuation is based on the equity valuation method, based on EBITDA multiples of ASX listed public companies. This is then applied to the Company's shareholding in the company. The valuation took place at 31 May 2019, which is considered to be a reasonable approximation of the value as at 31 March 2019.

Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the profit and loss account.

1.12 Investment Properties

Investment properties are carried at fair value determined annually and derived from the current market rents and property yields. Leasehold investment properties, of which the unexpired term is less than twenty years, are depreciated over the period of the unexpired portion of the lease. Depreciation is charged directly to the Statement of Comprehensive Income.

2. DIRECTORS' REMUNERATION

	2019 £	2018 £
Aggregate emoluments	-	-

3. TAXATION

	2019 £	2018 £
Corporation tax	-	-
Deferred tax	-	-
	-	-

The company has not recognised a potential deferred tax asset with respect to tax losses and other timing differences of approximately £3.6m (2018: £3.0m).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

4. TANGIBLE FIXED ASSETS

	Short Leaseholds
	£
Cost	
At 1 April 2018 and 31 March 2019	28,424
Depreciation	
At 1 April 2018	-
Charge for the year	5,684
At 31 March 2019	-
	5,684
Net Book value	
At 31 March 2019	22,740
At 31 March 2018	28,424

5. FIXED ASSET INVESTMENTS

	Total £
Unlisted investments at Cost	
At 1 April 2018	6,283,735
Gain on remeasurement	2,113,434
At 31 March 2019	8,397,169

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

6. INVESTMENT PROPERTIES

	Total £
Cost	
At 1 April 2018	783,750
Disposal	<u>(783,750)</u>
At 31 March 2019	<u>-</u>
Amortisation	
At 1 April 2018	361,578
Amortisation charge	85,800
Disposal	<u>(447,378)</u>
At 31 March 2019	<u>-</u>
Net Book Value	
At 31 March 2019	-
At 31 March 2018	422,172

7. DEBTORS

	2019	2018
	£	£
Due after more than one year		
Other debtors	277,000	-
Due within one year		
Amounts owed by group undertakings	59,189	66,601
Other debtors and prepayments	<u>106,923</u>	<u>491,575</u>
	<u>443,112</u>	<u>558,176</u>

**8. CREDITORS:
Amounts falling due within one year:**

	2019	2018
	£	£
Trade creditors	61,392	14,469
Social security and other taxes	-	13,775
Other creditors	9,267	193,815
	<u>70,659</u>	<u>220,059</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

9. SHARE CAPITAL

	2019 £	2018 £
Allotted, called up and fully paid		
6,536,764 A Ordinary shares of £1 each	<u>6,536,764</u>	<u>6,536,764</u>

10. EMPLOYEES

	2019 £	2018 £
The average monthly number of employees during the year was:	<u>2</u>	<u>2</u>

11. PENSION COMMITMENTS

The contributions paid by the company to the defined contribution scheme amounted to £11,992 (2018: £3,884).

The company operates a defined benefit pension scheme, which is unfunded.

The pension cost and provision for the year ending 31 March 2019 are based on the advice of a professionally qualified actuary. The most recent full valuation is dated 5 July 2019.

	2018 £	2018 £
Movements in provision during the year:		
At beginning of year	4,504,942	4,584,862
Benefits paid	(261,905)	(255,602)
Other finance costs	109,370	111,446
Actuarial adjustment	267,547	64,236
At end of year	<u>4,619,954</u>	<u>4,504,942</u>

The financial assumptions used to assess the present value of the obligation are:

Rate of increase of pension in payment	2.5% per annum
Discount rate	2.25% per annum

The most significant demographic assumption underlying the valuation is mortality. The mortality tables used are PNMA00 (males) and PNFA00 (females). The mortality improvement allowance is in line with the 'Medium Cohort' adjustment to these tables, subject to a minimum improvement of 0.5% per annum.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

12. OPERATING LEASE COMMITMENTS

At 31 March 2019 the company had annual commitments for land and buildings under non-cancellable operating leases as follows:

	2019 £	2018 £
Expiry date:		
Less than 1 year	120,744	75,423
More than 1 year less than 5 years	<u>362,232</u>	<u>482,976</u>

13. RELATED PARTIES

i) A leasehold property held for investment was leased to Mr S Aaron, a director for a rent of £24,000 a year. The amount received during the year was £22,452 (2018: £24,000).
Mr Aaron was paid £42,000 during the year for consultancy services (2018: £42,000).

ii) The leasehold property was sold to a related company, London Property Holdings Limited on 8 March 2019 at the market value of £277,000. London Property Holdings Limited and The Company are both owned by Colmar Investment Holdings Limited and the consideration was satisfied by an assignment to the Company of a loan of £277,000 due from Colmar Investment Holdings Limited to London Property Holdings Limited. The loan was outstanding at 31 March 2019.

iii) The Company has provided consultancy services amounting to £151,372 (2018:£44,969) and recharged other expenses of £20,822 (2018: £21,969) to its holding company Colmar Investment Holdings Limited during the year. An amount of £59,189 is outstanding at 31 March 2019 (2018: £66,601) in relation to these recharges.

14. POST BALANCE SHEET EVENT

On 9th August 2019, the Company sold its unlisted investments in Strandbags Holdings Pty Limited and Wise Spirit Limited to its holding company, Colmar investment Holdings Limited ("Colmar") for a consideration of £8,603,843. The consideration for the sale was satisfied by a loan to Colmar which was consolidated with a previous loan of £277,000 (see note 13(ii) above) together with a cash loan of £450,000 paid to Colmar on 9 August 2019.